

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 12871 010117Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 /036 W
-----119999 020109Z /75

R 301405Z JUN 78

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 7587

LIMITED OFFICIAL USE BRUSSELS 12871

E.O. 11652: N/A

TAGS: EAIR, BE

SUBJECT: CIVAIR: GOB REFUSAL TO APPROVE PAN AM BUDGET

FARES

1. PAA STATION CHIEF O'GORMAN HAS INFORMED EMBASSY THAT GOB DIRECTORATE GENERAL FOR CIVIL AVIATION (DGAC) HAS (A) DISAPPROVED PAA'S FILING FOR BUDGET FARES BETWEEN BRUSSELS AND PAA GATEWAY CITIES IN U.S. AND (B) APPROVED SUPER-APEX FARES FROM BRUSSELS TO OTHER U.S. POINTS ONLY ON CONDITION THAT PAA USE REGULAR FARE ADD-ON RATHER THAN SUPER APEX ADD-ON FOR U.S. LEG OF JOURNEY, (C) INSISTS THAT PAA USE IATA RATE (45 BF EQUALS \$1) INSTEAD OF BANK RATE (32.7 BF EQUALS \$1) TO CONVERT DOLLAR FARES INTO BELGIAN FRANCS AND (D) REFRAIN FROM SELLING ONE-WAY BUDGET FARES.

2. ACCORDING TO PAA, ONE EFFECT OF DGAC ADMINISTRATIVE DECISIONS (A) THROUGH (D) HAS BEEN TO DIVERT PAA TRAFFIC ORIGINATING IN BRUSSELS TO AMSTERDAM AND LONDON. MORE IMPORTANTLY, THESE DECISIONS APPEAR TO BIND PAA TO MUCH HIGHER SABENA RATE STRUCTURE. FOLLOWING FIGURES HIGH-LIGHTING POTENTIAL FARE DIFFERENCE BLOCKED BY DGAC DECISION ARE DRAWN FROM MATERIAL SUPPLIED BY PAA: (ALL FIGURES IN BF)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 12871 010117Z

TYPE OF FARE: PAA: SABENA: DIFF.:

SUPER APEX-NY (LOW)	13140	13140	--
SUPER APEX-NY (HIGH)	14910	14910	--
DETROIT	16840	18090	7/4 PERC.
SFO	22690	24580	8.3 PERC.
WASH	16290	17410	6.9 PERC.

BUDGET ONE-WAY ROUNDTRIP SABENA(R/T) DIFF.

(PAN AM)

LOW (NY)	4803	9606	11880	23.7 PERC.
HIGH(NY)	5517	11034	13520	22.5 PERC.
DETROIT	6295	12580	16760	33.1 PERC.
SFO	8177	16354	23250	42.2 PERC.
WASH	6068	12136	15760	29.9 PERC.

3. EMBASSY BELIEVES ADMINISTRATIVE DECISIONS BY DGAC RE-QUIRING PAA TO ALIGN ITS FARES ON SABENA VIA IATA EXCHANGE RATE, ROUNDTRIP ONLY FARES, AND NORMAL FARE ADD-ONS FOR U.S. LEGS OF TRIPS NEGATE AT LEAST SPIRIT OF THE AGREEMENT REACHED IN THE OCTOBER 1977 MEMORANDUM OF CONSULTATION.

4. IN ADDITION TO GENERAL ISSUES RAISED BY DGAC ACTIONS, WE ARE ALSO INTERESTED IN DEPARTMENT'S REACTION TO DGAC'S REASONING IN REJECTING BUDGET FARES BETWEEN BRUSSELS AND U.S. GATEWAYS OTHER THAN NEW YORK. DGAC TOLD PAA VIA LETTER JUNE 14 THAT DGAC COULD NOT CONSIDER THIS FARE SINCE SERVICE FROM BRUSSELS TO THESE CITIES IS NOT REPEAT NOT DIRECT AND NOT IN ACCORDANCE WITH POSITION OF SECTION 6(B) OF ANNEX TO 1946 U.S.-GOB CIVIL AIR ACCORD CONCERNING TRANSSHIPMENT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 12871 010117Z

5. WE WOULD APPRECIATE DEPARTMENT'S VIEWS ON FOREGOING. WE ARE POUCHING COPIES OF EXTENSIVE CORRESPONDENCE BETWEEN PAA AND DGAC ON THESE ISSUES TO EB/OA FOR THE ATTENTION OF A. RIMAS. DE TARR

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRLINES, AIR FARES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE12871
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780272-1171
Format: TEL
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978065/aaaaadqo.tel
Line Count: 98
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0fbb5087-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2317264
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: GOB REFUSAL TO APPROVE PAN AM BUDGET FARES
TAGS: EAIR, BE, US, PANAM
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/0fbb5087-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014